

COLORADO NEIGHBORHOOD STABILIZATION PROGRAM

Notice Regarding NSP Projects

Per HUD requirements for the Neighborhood Stabilization Program, all funds awarded under the State of Colorado allocation must be obligated by **September 10, 2010**. To facilitate the increase of program progress the following policies are enacted, creating incentives for greater NSP milestone achievement.

1. Revised Developer Fee Disbursement Policy (Single and Multi-Family Projects, Per-Property)

30% - Following Closing of Property Acquisition

30% - Following Completion of Rehabilitation

40% - Following Occupation by Income-Qualified Beneficiary (via purchase or lease)

(Note: Multi-Family Rental Stabilization of Occupancy = 93% occupied for 3 consecutive months).

2. Progress Assessment: March 31, 2010

On March 31, 2010, an assessment of progress will be conducted by DOH staff for each NSP contract. Accomplishment of sufficient progress at this time will be demonstrated by obligation of no less than 30% of contracted grant funds through execution of property purchase or rehabilitation contracts. This assessment will utilize pay requests or copies of executed purchase/rehabilitation contracts submitted to the Division of Housing by this date.

Following the assessment DOH may execute an agreement with each successful grantee, allowing the retention of Program Income. Allowing for the needs of each grantee, these Program Income agreements will be negotiated individually. More information will be forthcoming regarding this opportunity following the completion of the assessment.

Grantees not having accomplished sufficient progress on March 31, 2010 must have secured by April 30, 2010 purchase contracts closing by June 30, 2010, or be subject to recapture on April 30, 2010. Funds not obligated prior to the June 30, 2010 deadline are subject to recapture and redistribution.

Progress Assessment Achievement and Funds Recapture Timeline:

March 31, 2010 → Progress Assessment

Grantee Successful → >30% funds under purchase/rehab contract.

Grantee Unsuccessful → 30 days to demonstrate purchase/rehab contracts.

April 30, 2010 → Progress Assessment

Grantee Successful → Contracted to purchase or rehab properties by June 30, 2010. DOH recaptures remaining un-obligated funds.

Grantee Unsuccessful → DOH recaptures funds.

June 30, 2010 → Progress Assessment

Grantee Successful → Acquired properties and/or rehab underway. DOH may allocate additional funds to grantees demonstrating need and activity potential. DOH recaptures un-obligated funds.

Grantee Unsuccessful → DOH recaptures funds.